

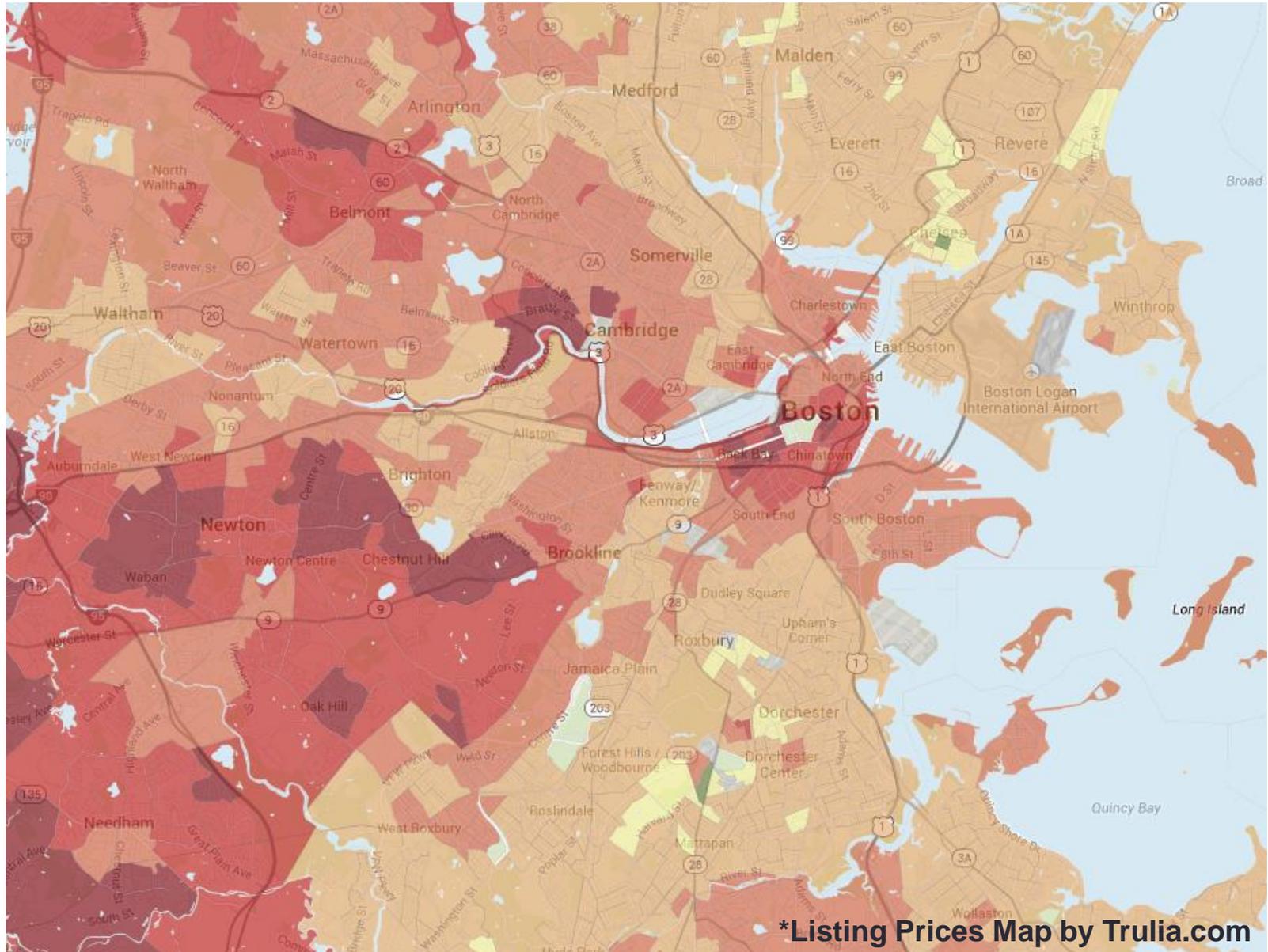
# SUSTAINABLE NEIGHBORHOODS

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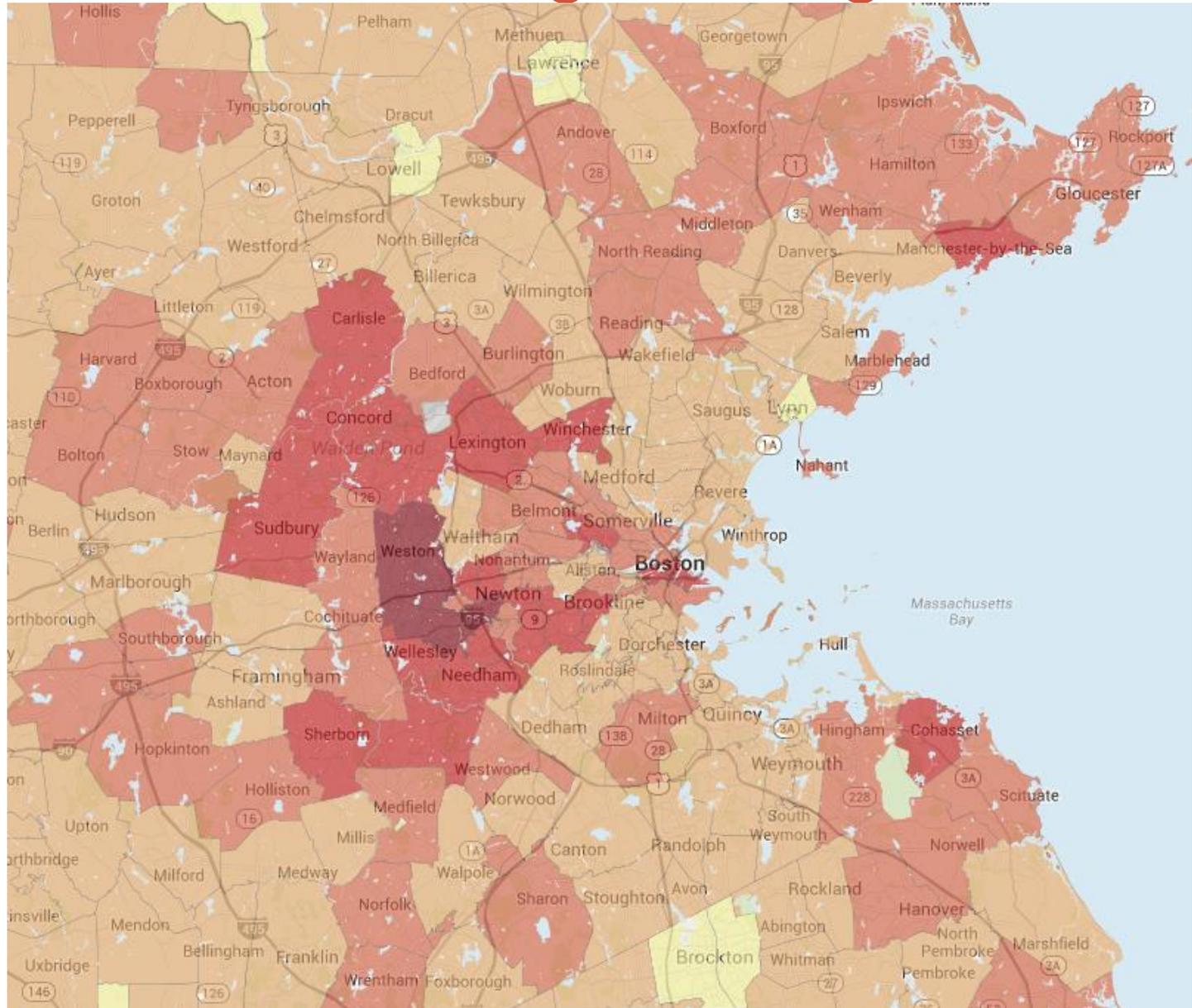


Building a Comprehensive Plan  
For Affordable Housing in the  
City of Somerville

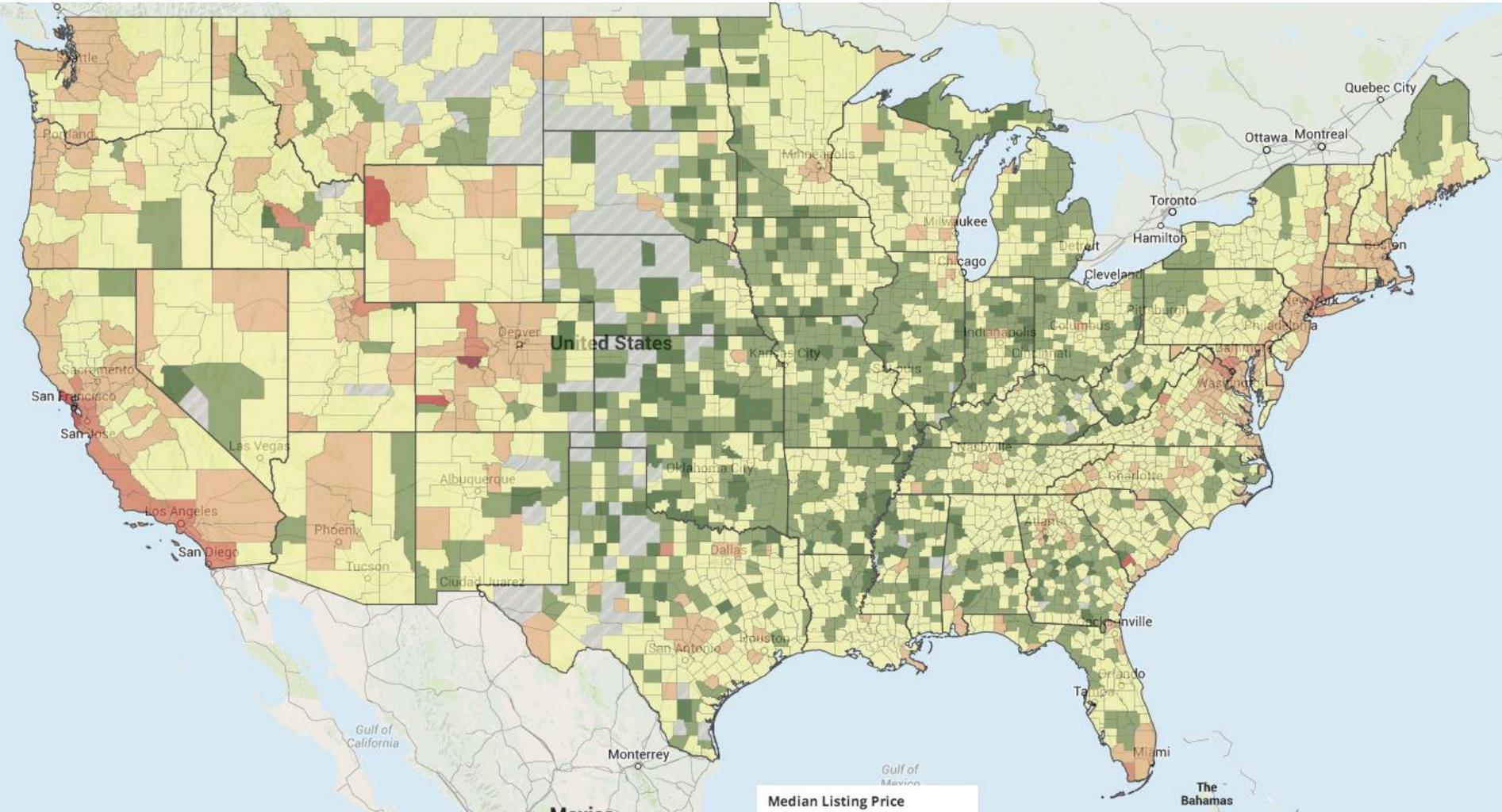
# Affordable Housing is a Metro Issue



# Affordable Housing is a Regional Issue



# Greater Boston: One of Most Expensive Housing Markets in the U.S.



# Boston: Most Gentrifying Large City in the Nation, 2000-2007

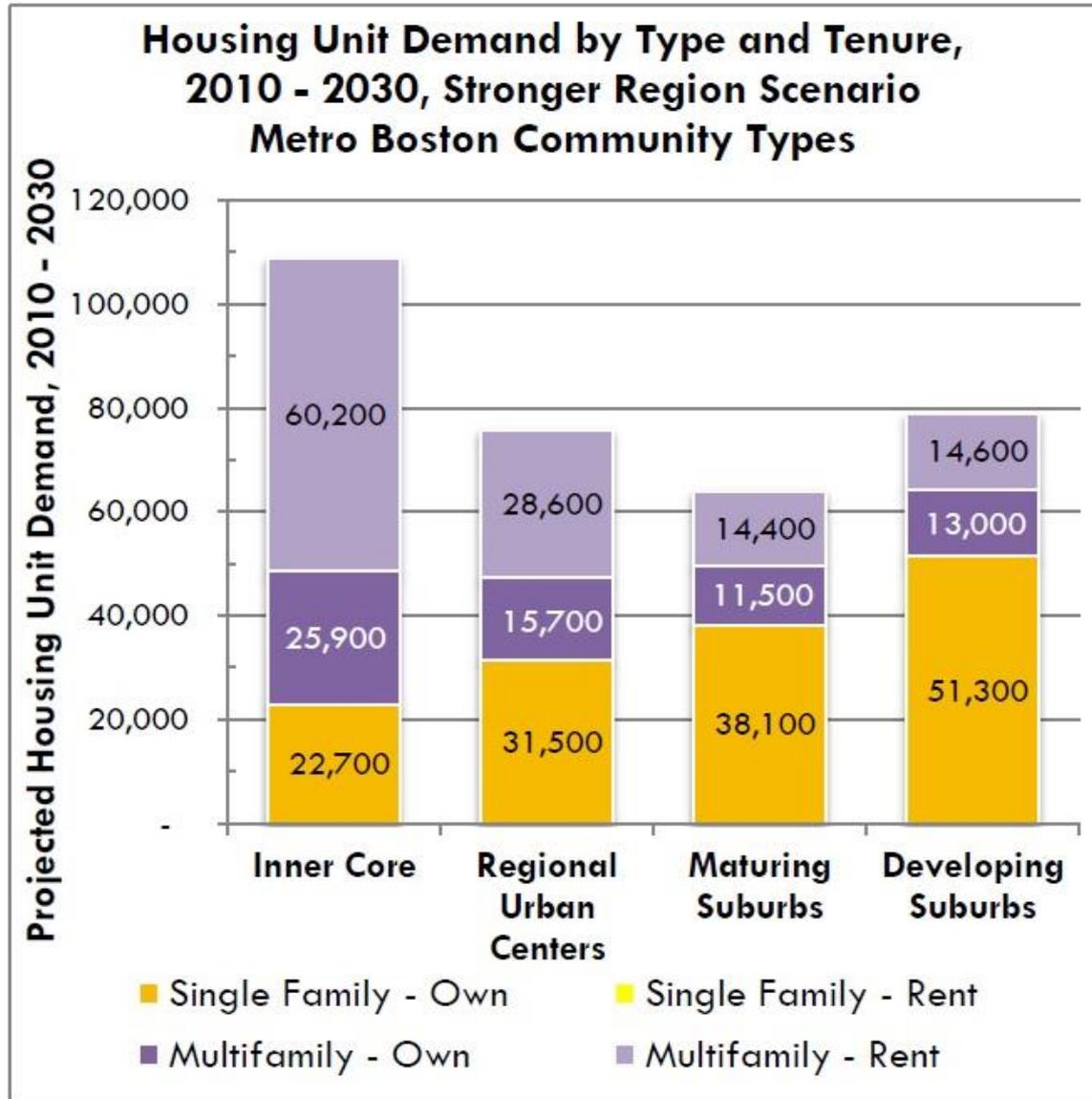
## Gentrifying Cities

Metropolitan Statistical Area (MSA)	Proportion of low-price census tracts in the city (those with below-median MSA home value), percent	Proportion of the city's low-price tracts that gentrified, percent	Proportion of the city's total number of tracts that gentrified, percent
Boston	43	61	26
Seattle	17	55	9
New York City	40	46	18
San Francisco	31	42	13
Washington, DC	55	35	19
Atlanta	59	31	18
Chicago	57	28	16
Portland	48	28	13
Tampa	73	24	18
Los Angeles	51	23	12
Denver	52	23	12

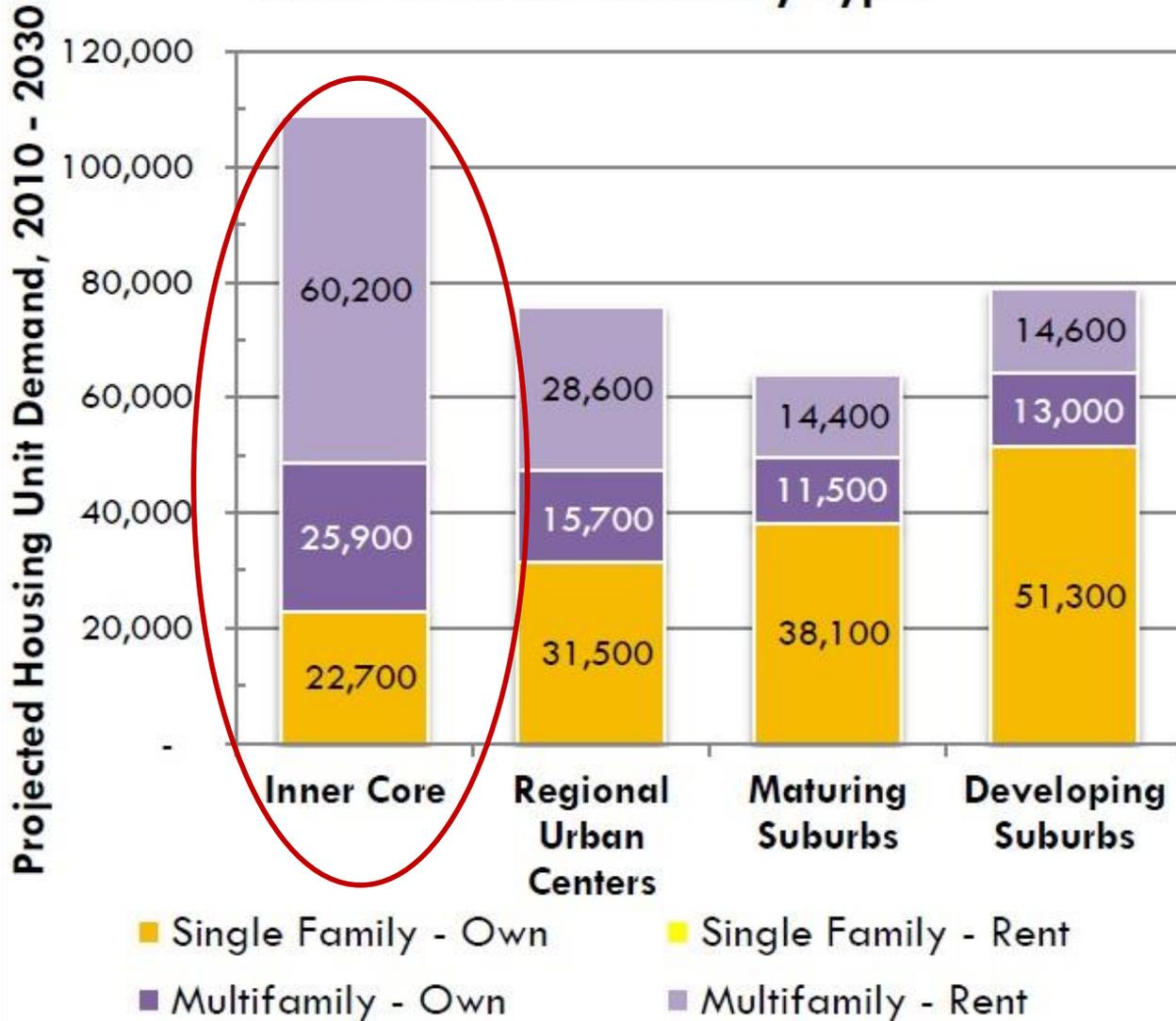
“In Boston, the gentrifying neighborhoods represented about a fourth of the entire city’s population. In other cities, the proportion was much smaller.”

-Federal Reserve  
Bank of Cleveland

# MAPC Report: 435,000 Homes by 2040



# Housing Unit Demand by Type and Tenure, 2010 - 2030, Stronger Region Scenario Metro Boston Community Types

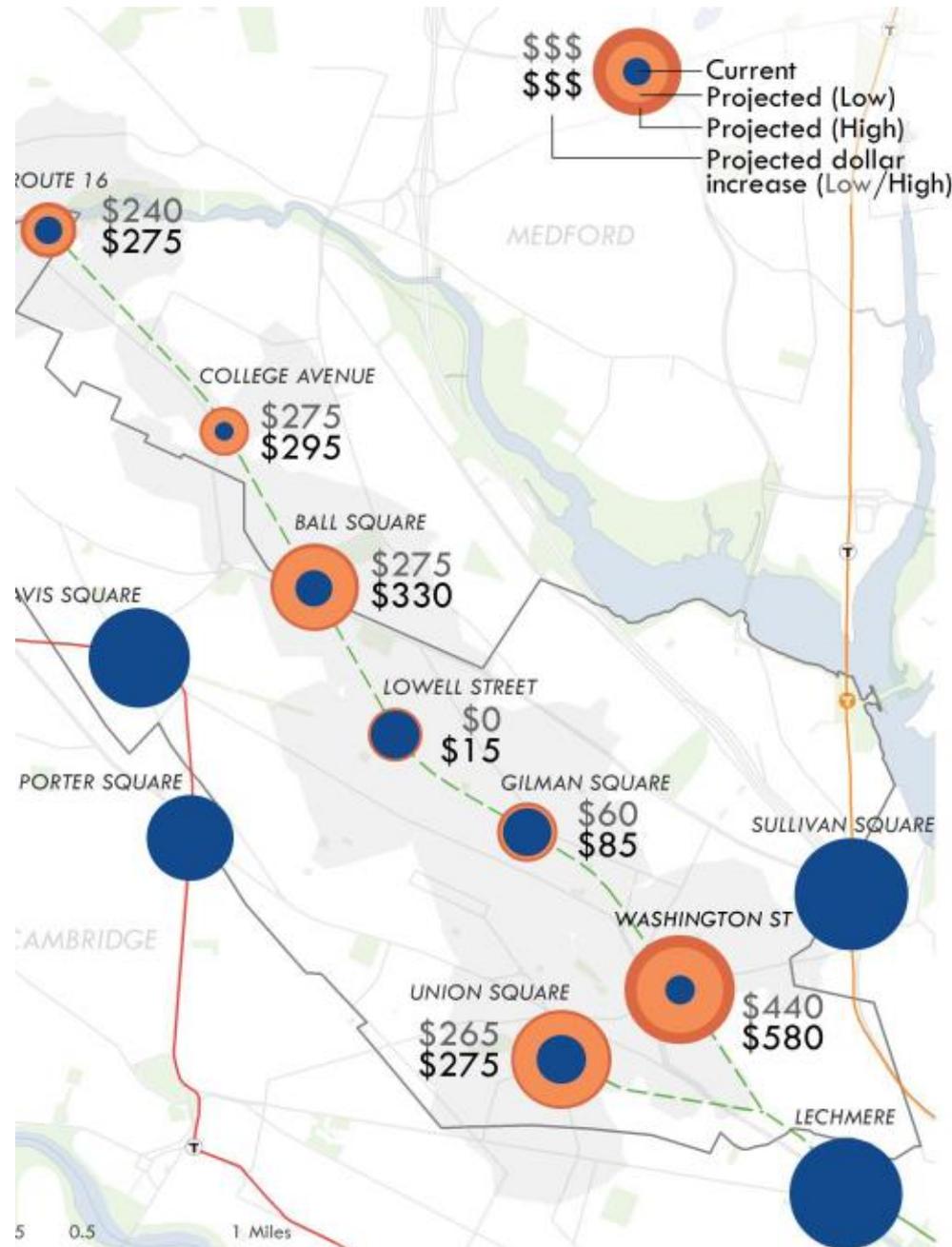


Highest Demand in the Inner Core



# Staying Proactive

- City partners with MAPC and SCC on report, “Dimensions of Displacement”
- Somerville became more diverse in recent years
- But young families leaving faster than being replaced
- Even without GLX, City faces regional housing issues and pressure



# A Robust Affordability Program

## SomerVision



**E.** Housing



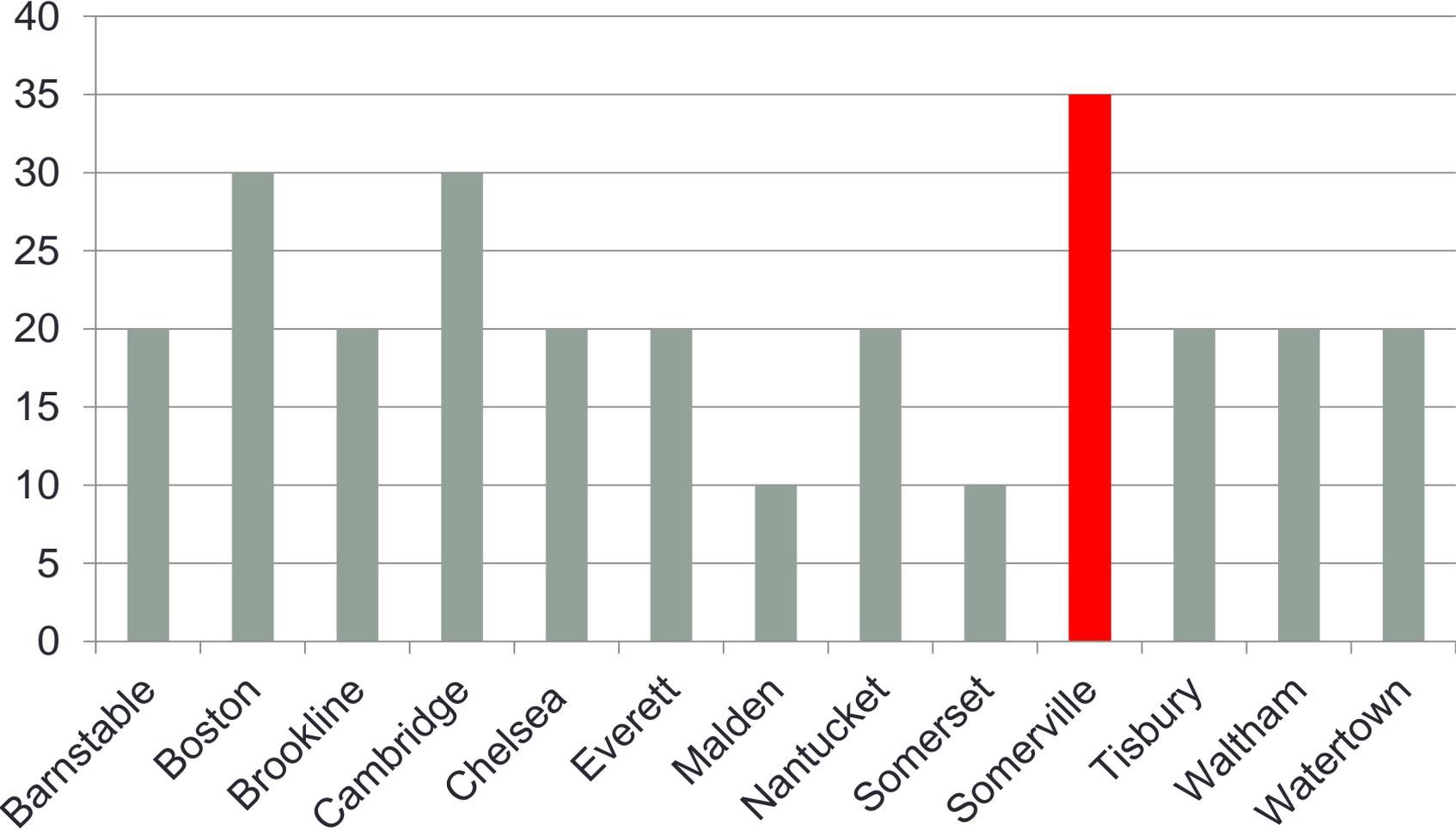
*Somerville: an Exceptional Place to Live, Work, Play, and Raise a Family*

# Existing Affordable Housing Stock

- 3,450 affordable units approximately in Somerville, created through:
  - Affordable Housing Trust Fund
  - Inclusionary Zoning
    - 12.5% (15% and 17% in Union Square TODs)
  - Federal and State funding, subsidies and tax credits
- **26% of new housing units created in most recent 6 years are affordable units:**

	Total New Units	New Affordable Units	New Market Rate Units
5-Year Totals	1141	301	840

# Highest Residential Property Tax Exemption in Massachusetts



# Increased Linkage Fee

\$3.91 → \$5.15  
per square foot

Developments  
of at least  
30,000  
square feet

Additional \$1  
million in next  
decade for  
affordable  
housing

# Community Preservation Act

Between \$2.1 and \$2.36 million  
in CPA funds proposed for Affordable Housing Trust Fund

**Table 2. Allocation of CPA Revenue in FY15 Funding Cycle**

Use	Percent of FY14 & FY15 CPA Revenue
Open Space and Recreation reserve or projects	15%
Historic Resources reserve or projects	15%
Community Housing reserve or projects	45%
Flexible funds for projects in any focus area in FY15 or future years	20%
CPC administrative and operating expenses	5%
Total	100%

**“4. Evaluate the Community Preservation Act.** Evaluate the impacts and benefits of CPA. Consider supporting a broad coalition to facilitate the passage of the measure. If passed, work with the State to maximize the match funding available.”  
– Action item in Boston’s affordable housing plan

# Additional Programs

- Closing Cost Assistance
- Down Payment Assistance
- Eviction Prevention Program
- Housing and Support Programs for Homeless and Those At-Risk of Homelessness
- Housing Rehab and De-Leading Programs
- Heating System Replacement
- Free or Very Low Cost Programs in Schools, Recreation Department and Library

# Who Are We Not Reaching?

Boston Metropolitan Region Area Median Income = \$94,100

FY 2014 Income Limit Category	Persons in Family					
	1	2	3	4	5	6
Very Low (50%) Income Limits (\$)	32,950	37,650	42,350	<b>47,050</b>	50,850	54,600
Extremely Low (30%) Income Limits (\$)*	19,800	22,600	25,450	<b>28,250</b>	30,550	32,800
Low (80%) Income Limits (\$)	47,450	54,200	61,000	<b>67,750</b>	73,200	78,600

## Renter Households

Gross Income Spent on Housing	Percent of Households
Zero Income	1.88%
Less than 20%	25.56%
20-29%	29.45%
30% or More	41.44%

## Owner Households

Gross Income Spent on Housing	Percent of Households
Zero Income	.19%
Less than 20%	35.56%
20-29%	23.69%
30% or More	40.55%

# Housing Cost Burdens

- Over 40% of Somerville households are cost burdened
- Nearly 75% of households earning an income below 80% of the Area Median Income (AMI) were cost-burdened
- Over 4,000 renters and over 1,300 homeowners pay more than 50% of their income towards housing costs.

# A Broader and Deeper Approach

Need to reach both lower income households  
and middle class households

Household Income	Percent of Total Households	
Less than \$10,000	7.0	 <b>Expand services</b>
\$10,000 to \$14,999	4.3	
\$15,000 to \$24,999	8.2	
\$25,000 to \$34,999	6.9	
\$35,000 to \$49,000	12.3	
\$50,000 to \$74,999	17.7	 <b>Fill current gap in service, study need for households up to 125% AMI</b>
\$75,000 to \$99,999	14.7	
\$100,000 to \$149,999	17.5	
\$150,000 to \$199,999	7.0	 <b>Can meet housing costs</b>
\$200,000 or more	4.5	

# Comprehensive Zoning Code Overhaul

- Proposal coming this fall for public comment
- Weekly community workshops held this past summer



# Expanding and Broadening Through Zoning

- Expanded Inclusionary Zoning

- Higher number of affordable units requirement
- Expanding income eligibility limits to reach more households

- Increasing Family Housing in Larger Projects

- Requiring creation of more multi-bedroom affordable units in large scale residential projects

- Maker and Artist Districts

- New code would allow certified artists/makers to live in their work space

- Spurring Development via Zoning Code

- Broadening approach to make it easier address supply by building more housing and commercial development in SomerVision's transformational areas

**SOMERVILLE INCLUSIONARY HOUSING:**

PRIVATE DEVELOPER PAYS FOR PUBLIC BENEFIT

UNTIL ~2009, NOW NOT ALLOWED

TODAY, APPLIES TO DEVELOPMENTS OF:

- > 2 OR 3 UNITS (IN RESIDENTIAL OR RESIDENTIAL)
- > 8 UNITS (EVERY YEAR)

INCOME LIMITS → RENTAL 50% OF AREA MEDIAN INCOME (FIRST YEAR) 80% (SECOND YEAR) 100% (THIRD YEAR)

OWNERSHIP

① BUILD UNITS ON-SITE

② BUILD UNITS OFF-SITE

③ PAY A FEE, NO UNITS

N	B
4	0
5	0
6	0
7	0
8	1
9	1 - 1/8 buyout
10	1 - 2/8 buyout
11	1 - 3/8 buyout
12	2
13	2
14	2
15	2
16	2
17	2 - 1/8 buyout

# Data-Based Goals

- Revisiting SomerVision goal *now* instead of five years out
- Based on MAPC report of need for 6,300 to 9,000 new units, seek to revise goal to maximum recommendation of 9,000
- Asking steering committee to reconvene



*30,000 New Jobs* as part of a responsible plan to create opportunity for all Somerville workers and entrepreneurs



*125 New Acres of Publicly-Accessible Open Space* as part of our realistic plan to provide high-quality and well-programmed community spaces

~~6,300~~ **9,000**



*6,300 New Housing Units - 1,200 Permanently Affordable* as part of a sensitive plan to attract and retain Somerville's best asset: its people.



*50% of New Trips via Transit; Bike, or Walking* as part of an equitable plan for access and circulation to and through the City.



*85% of New Development in Transformative Areas* as part of a predictable land use plan that protects neighborhood character

# Housing Design Competition

## In America's Poorest City, a Housing Breakthrough

Together, a design studio and community-development corporation are transforming housing in the Rio Grande Valley.

AMANDA KOLSON HURLEY | [@amandakhurley](#) | Oct 1, 2014 | [24 Comments](#)

8.8k  
Shares

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Small design nonprofit and local CDC in Brownsville, TX build innovative 56-unit affordable housing complex.

“In a very poor region, stringing together grants and project fees, these two organizations have gotten results at a pace that New York developers might envy.”

# Empowering Cities and Towns

## One Affordable-Housing Solution for Cities: True Home Rule

Independence is the difference between dense cities that achieve affordable housing, like Hong Kong and Singapore, and the ones that don't.

KRISTON CAPPS | [@kristoncapps](#) | Sep 30, 2014 | 19 Comments

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- Local Transfer Tax
- Tax Credits for Benevolent Landlords
- Expanded Gateway Cities

“Dense cities that get affordable housing right...enjoy home rule.”

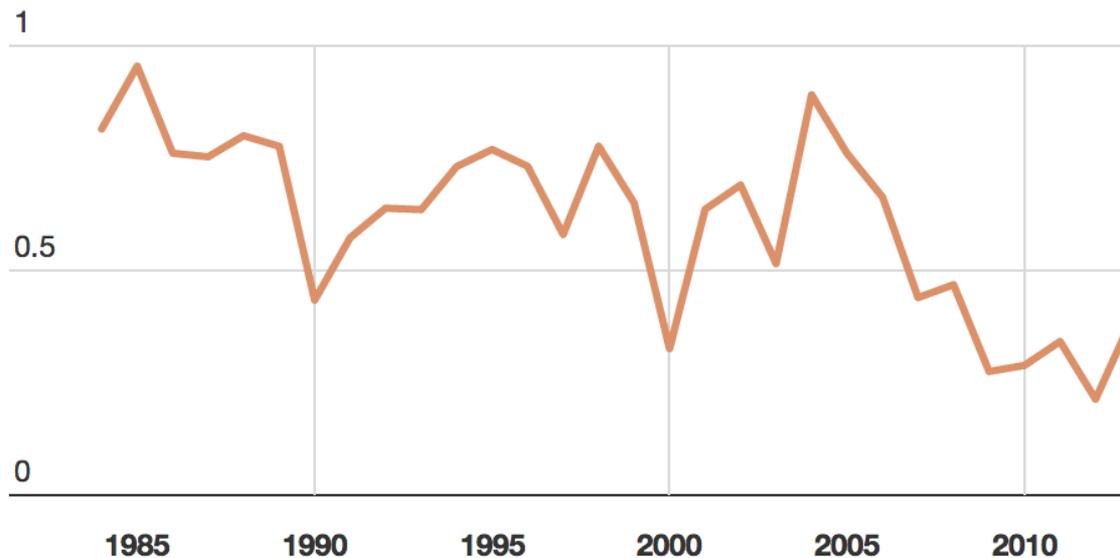




# Broad, Regional Commitment Needed

**Vox** — Seriously, increasing housing supply increases affordability

New housing starts per new person



“The mid-aughts construction boom was a long time ago, and since then the construction of new housing hasn't kept up with the growth in the country's population. More people without more units equals scarcity and high prices.”

# Questions?

